



Norfolk Southern Corporation
Law Department
Three Commercial Place
Norfolk, Virginia 23510-9241

John V. Edwards
Senior General Attorney

Writer's Direct Dial Number
(757) 629-2838
(757) 533-4872 Fax

August 8, 2007

Via E-Filing

The Honorable Vernon A. Williams
Secretary
Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423-0001

219981

RE: STB Finance Docket No. 35063
Michigan Central Railway – Acquisition and
Operation Exemption – Lines of Norfolk Southern Railway Company

Dear Secretary Williams:

Norfolk Southern Railway Company ("NSR") hereby offers a brief response to the August 7, 2007, "Reply to Petition for Reconsideration" filed by the Michigan Southern Railroad and Elkhart & Western Railroad (collectively, "MSO") in Docket No. 35063, supporting reconsideration of the Board's August 2 Decision adopting a procedural schedule in the above-referenced proceeding. NSR respectfully asks leave to submit this brief letter to address one aspect of MSO's pleading.

In footnote 2 of its Reply, MSO notes that NSR has agreed to meet with MSO to discuss the transaction which is the subject of these proceedings, and it urges an extension of the procedural schedule in order to facilitate implementation of any settlement arising from those discussions. That request is both premature – the discussions have yet to take place and there is no way to know what, if anything, may result from them – and inappropriate since it effectively seeks to penalize NSR for its willingness to participate in such discussions. In fact, granting MSO's request for the reason it cites would signal parties to Board proceedings that, by willingly discussing transactions in which they are involved, they run the risk of having the Board extend their procedural schedules. Such a result would be poor public policy.

MSO was among a host of parties that, in response to Michigan Central's request for the adoption of the procedural schedule, either supported that schedule or remained silent. This is in contrast to MSO's wholly unsupported assertion on the second page of its reply that "BMW and BRS point out that, notwithstanding the fact that several parties filed comments expressing concern over the proposed procedural schedule within the initial 20 day comment

6
The Honorable Vernon A. Williams
August 8, 2007
Page 2

period provided at 49 CFR 1104.12, the Board reached a decision to accept without change [Michigan] Central's proposed procedural schedule," a statement not made by BMWED and BRS and not otherwise supported by the record. (Emphasis added in the quoted material.)

The Board should adhere to the procedural schedule it has established in this proceeding

Respectfully submitted,



John V. Edwards

cc: All parties of record